

REMARKS

A restriction requirement was mailed on November 20, 2006. The Examiner suggested that the application contains three species identified as the following:

(1) A computer-implemented method and computer-readable medium for pricing, with adjustment for risk, of anticipated contract obligations in which a standard normal cumulative distribution is applied to shifted results to create transformed cumulative probably [sic] weights.

(2) A computer-implemented method and computer-readable medium for pricing, with adjustment for risk, and adjustment for parameter uncertainty, of anticipated contract obligations in which a student-t cumulative distribution is applied to shifted results to create transformed cumulative probably [sic] weights.

(3) A computer-implemented method and computer-readable medium for calibrating the market price of risk of anticipated contract obligations in which a standard normal cumulative distribution is applied to shifted results to create transformed cumulative probably [sic] weights; and further discounting the undiscounted price for the selected group of assets and liabilities; determining the selection of the provisional lambda as market price of risk and iterating any provisional lambda value not accepted as the market price of risk.

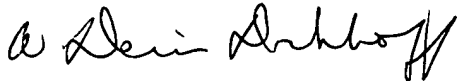
Applicant wishes to elect the claims encompassing Group 1 above, wherein the standard, normal, cumulative distribution as applied to shifted results to create transformed cumulative probability weight. The claims relating to this embodiment are claims 1–20.

The method of the present invention, known as the Wang Transform, was first published as “A Class of Distortion Operators for Pricing Financial and Insurance Risks,” by Shaun S. Wang in *The Journal of Risk and Insurance*. An Information Disclosure Statement is being submitted with a copy of the article, which was published in March 2000.

The Examiner is invited to contact the below listed attorney if the Examiner believes that a telephone conference will advance the prosecution of this application.

Respectfully submitted,

Date: 1-22-07

By: 
W. Dennis Drehkoff
Registration No. 27,193

Vedder, Price, Kaufman & Kammholz, P.C.
222 North LaSalle Street, Suite 2600
Chicago, Illinois 60601
phone: (312) 609-7707
fax: (312) 609-5005